

May 31, 2020

Southeastern Pennsylvania Transportation Authority  
1234 Market Street  
Philadelphia, Pennsylvania 19107

Attention: Pasquale T. Deon, Board Chairman

Re: Public Hearings in connection with the Southeastern Pennsylvania Transportation Authority's Fiscal Year 2021 Capital Budget and Fiscal Years 2021-2032 Capital Program and Comprehensive Plan.

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Examiner's Recommendation:

**That the Fiscal Year 2021 Capital Budget and Fiscal Years 2021-2032 Capital Program and Comprehensive Plan be adopted.**

Members of the Board:

Pursuant to my appointment by Pasquale T. Deon, Board Chairman, to conduct hearings for the purpose of considering SEPTA's Fiscal Year 2021 Capital Budget and Fiscal Years 2021-2032 Capital Program and Comprehensive Plan, virtual public hearings were held at 11:30 a.m. and 5:00 p.m., May 20, 2020 with SEPTA witnesses and representatives present in the SEPTA Board Room, Mezzanine, 1234 Market Street, Philadelphia, Pennsylvania 19107 and the Hearing Examiner and general public attending via WebEx.

A stenographic record was made of the hearings and is available for viewing in the Authority's files. Included as part of the record of the hearings, but not forwarded herewith, are the exhibits establishing posting and publication of the notice of the hearings. These exhibits are available for viewing in the Authority's files.

The Fiscal Year 2021 Capital Budget and Fiscal Years 2021-2032 Capital Programs were prepared by SEPTA in accordance with Section 1310 of the Pennsylvania Public Transportation Law of 1991 ("Act 26") and the hearings proceeded virtually with the presentation by the SEPTA witness. Following the presentation of testimony by the SEPTA witness, the floor was open to any person attending virtually who desired to ask questions, make a statement or present evidence.

Introduction:

Catherine Popp-McDonough, Director, Capital Budgets & Grant Development testified that SEPTA's Fiscal Year 2021 Capital Budget proposal totals \$640.22 million and the Fiscal Years 2121-2032 Capital Program totals approximately \$7.4 billion. The FY 2021 Capital Budget includes currently forecasted federal, state and local funding assumptions,

as well as anticipated capital financing. State funds are forecast at \$349.28 million, or 54.6 percent of the total budget based on PennDot's financial guidance at the time the capital budget proposal was published on April 20, 2020. Federal funding is programmed at \$219.29 million, or 34.3 percent of the total budget. This forecast is based on Fiscal Year 2020 funding levels authorized by the Fixing America's Surface Transportation Act, the FAST Act. Fiscal Year 2020 is the last year of the FAST Act. Local match is programmed at \$11.6 million, or 1.8 percent of the total Fiscal Year 2021 capital budget. This amount is based on the required match on state and federal funding levels. Capital financing is programmed at \$60 million, or 9.4 percent of the total budget. This amount is based on anticipated borrowings in the fiscal year to advance capital projects. It is important to note that SEPTA may need to make adjustments to the Fiscal Year 2021 Capital Budget as presented as a result of the potential effects of the COVID-19 coronavirus on SEPTA's funding sources. SEPTA will keep the public informed of any changes to the capital budget that may be necessitated. SEPTA's capital program makes vital investments in the region's transportation infrastructure and is necessary to maintain transit assets in a state of good repair. Since January 2014, SEPTA has awarded 177 major construction contracts worth \$908 million, with 119 contracts completed and 58 contracts underway. The Fiscal Year 2021 Capital Budget allocates forecasted funding to 12 capital programs and financial obligations. The focus continues to be on addressing SEPTA's State of Good Repair Backlog, which the Authority has reduced from \$5 billion to \$4.6 billion since the passage of Pennsylvania's Act 89. Highlights of the Fiscal Year 2021 Projects by program are as follows: \$12.89 million is allocated to the Bridge Program which includes rehabilitation of the Norristown High Speed Line Bridgeport Viaduct, Bridge 12.81, over the Schuylkill River, repairs to the Norristown High Speed Line Bridge 0.15 over 69th Street Yard tracks, critical repairs to West Trenton Regional Rail Line Bridge 31.63 over the Raritan Canal, rehabilitation of seven stone arch bridges located on the Lansdale/Doylestown, Media/Elwyn and West Trenton Regional Rail Lines and the next phase of critical repairs to seven bridges on the Regional Rail Mainline between 30th Street Station and Suburban Station. \$47.65 million is allocated to Communications, Signal Systems, and Technology Improvements which includes installation of a new Positive Train Control system on the Route 101 and Route 102 Trolley Lines, modernization of the signal system for the Broad Street Line-Ridge Spur, continuation of upgrades to Audio Visual Public Address equipment, real time vehicle locating equipment and real time arrival information at Regional Rail and transit stations, continuation of the renewal of signals, track, catenary, and interlockings from 30th Street Regional Rail Station to Phil Interlocking under the Southwest Connection Program, Norristown High Speed Line Interlocking Improvement Program, replacement of the Computer Aided Radio Dispatch system for buses and trolleys, information technology enhancements including upgrades to infrastructure and applications, video system components, new training simulators and scheduling systems; and replacement of Control Center System Wall Displays and Video Evidence components. \$48.58 million is allocated to the Infrastructure Safety and Renewal Program which provides for the restoration by SEPTA forces of City and Suburban transit and Regional Rail infrastructure to a state of good repair. \$49.38 million is allocated to Maintenance/Transportation Shops and Offices which includes Frazer Rail Shop and Yard upgrades and Wayne Junction Rail Shop improvements to accommodate regional



rail car and locomotive fleet expansion, improvements to the Powelton Yard Facility, replacement of Boilers and Underground Storage Tank Relining at select locations, Wyoming Complex Stormwater Management and paving improvements, Railcar Maintenance Shop Wheel Turning Machine equipment replacement, environmental cleanup activities; and Roof Improvements at 69th Street Transportation Center, Courtland Shop, and Midvale Bus Garage. \$9.37 million is allocated to Projects of Significance: Early Actions. While the full scope of SEPTA's Projects of Significance remains unfunded in the proposed 12 Year Capital Program, early action phases in support of the Trolley Modernization and the King of Prussia Rail Project will continue to be advanced. These early actions are necessary to ensure that SEPTA maintains momentum for these critical projects while funding solutions are developed. Funding for the King of Prussia Rail Project will complete the Final Environmental Impact Statement. Funding for the Trolley Modernization will provide for vehicle specification development, and select preliminary design efforts and analyses, including station concepts, capacity and ridership trends, operations and end-of-line analyses, and on-street station construction feasibility studies. \$11.44 million is allocated to Safety and Security Improvements which includes Fern Rock Transportation Center Regional Rail Station Improvements including construction of a grade-separated pedestrian crossing, Lawndale Station improvements including grade-separated pedestrian access and high level platforms, System-wide escalator and elevator improvements, Ventilation improvements at Jefferson Station and Suburban Station, Route 102/Sharon Hill Trolley Line Flood mitigation, Manayunk/Norristown Regional Rail Line Shoreline stabilization, Railroad and Trolley/Highway Grade Crossing enhancements, Security enhancements at Midvale Complex, Infrastructure, Shops, Yard and Office Hardening Programs to improve the safety and security of passengers, employees and transit assets throughout the SEPTA system; and Transit Security Grant Program funds to protect critical transportation assets including the installation of improved perimeter fencing and security cameras at the Fern Rock Facility. \$25.71 million is allocated to SEPTA Key as the SEPTA Key Project is modernizing SEPTA's antiquated fare payment and collection system by replacing it with a system that utilizes contactless payment devices and readers. The SEPTA Key addresses all of SEPTA's service modes, including bus, rail transit, and regional rail fare collection improvements, and the payment and collection procedures for SEPTA's parking operations and Customized Community Transportation operations. To ensure SEPTA Key technology remains up-to-date and secure, new payment technology upgrades are included in the outer years of the capital program within the Safety & Security Program Technology Upgrades project. \$52.43 million is allocated to Service Restoration and Improvements which provides for restoration of rail service on the Media/Elwyn Regional Rail Line from Elwyn to Middletown Township at US Route 1 in Delaware County. The project includes renewal of infrastructure, and construction of a new station building, parking deck, and new facilities. This program also includes funding for Phase B of SEPTA's Roosevelt Boulevard Direct enhanced bus service that will connect the Frankford Transportation Center to the Wissahickon Transportation Center. This project is a continuation of the initial phase completed in 2018 between Neshaminy Mall and the Frankford Transportation Center. \$46.17 million is allocated to Stations, Loops and Parking Improvements which will provide for facility improvements, including accessibility to comply with Americans With Disabilities Act requirements. Projects



include 5th Street and 30th Street Stations on the Market-Frankford Line, Susquehanna-Dauphin and Tasker-Morris Stations on the Broad Street Line, Ardmore, Conshohocken, Jenkintown-Wyncote and Villanova Regional Rail Stations, design of improvements at 11th Street Station on the Market-Frankford Line, Erie Station on the Broad Street Line, and Chestnut Hill East and Willow Grove Regional Rail Stations, parking improvements at 69th Street Transportation Center and Gwynedd Valley and Secane Regional Rail Stations, design for parking improvements at Conshohocken Regional Rail Station, phased renovation of City Hall Station and the continuation of improvements to Center City Concourses, reconstruction of Westmoreland Loop and the reconstruction and expansion of the Wissahickon Transportation Center; and new bicycle parking facilities at selected Regional Rail and transit stations. \$31.62 million is allocated to Substations and Power Improvements which includes overhaul of Static Converters at the Wayne Junction Regional Rail Substation, a Multimodal Substation Improvement program comprised of Bethayres, Neshaminy, Yardley, Lansdale and Hatboro Regional Rail Substations, 12th St. and Portal Switching Station; and Market, Park, Broad, Loudon and Castor Transit Substations. In addition, funds are allocated for Catenary replacement from 30th Street Regional Rail Station to "K" Interlocking and the Powelton Yard Complex. \$3.40 million is allocated to Track and Right of Way Improvements which includes Norristown High Speed Line Track Renewal, City Transit Division Trolley Tunnel Track Renewal, Market-Frankford Line track renewal at Bridge Street Yard; and Route 101/102 yard track renewal at the 69th Street Maintenance Complex. \$184.90 million is allocated to Vehicle Acquisitions and Overhauls which includes the 525 40-foot hybrid Bus Purchase Program, procurement of 10 additional 40-foot battery electric buses, the Paratransit Vehicle Purchase Program, Multi-Level Regional Railcar Acquisition, the Utility Fleet Renewal Program, the continued overhaul of SEPTA's buses, trackless trolleys, regional rail, Market-Frankford Line, Broad Street Line and Light Rail Vehicles; and the purchase and installation of Automatic Passenger Counters, or APCs on SEPTA's buses, trolleys and railcars. The installation of APC technology is being accelerated to provide real-time crowding information, which will help implement social distancing in SEPTA vehicles. The Fiscal Year 2021 Capital Budget also includes \$116.69 million for financial obligations including capital asset leases and debt service payments.

The SEPTA presentation included slides detailing the various projects included in each of the above listed categories. The SEPTA witness panel included Dave Montvydas, Chief Engineer Maintenance of Way, Kate O'Connor, Chief Engineer Bridges and Buildings and Judy Holton, Assistant General Manager Planning. Leslie Richards, General Manager, Richard Burnfield, Deputy General Manager/Treasurer, Robert Lund, Deputy General Manager, Thomas McFadden, Chief Financial Officer also participated in the proceedings.

A total of 45 people attended the public hearings virtually and 9 spoke. Individuals commented during the virtual hearings on projects in the Capital Budget. Comments included appreciation of SEPTA's performance during the pandemic, as well as, the need for additional funding and noted that the Capital Budget contained impressive projects. There were comments on the need to fast track accessibility improvements, enhancement of SEPTA Key with additional kiosks and movement on trolley modernization. Nine

emails were received and entered into the record.

An announcement was made at the hearings that the record would be held open through May 27, 2020 for receipt of written comments.

Written comments were received from:

Chester County is pleased with the reinstatement of funding for the Paoli and Exton Parking garages as Paoli is the most heavily used rail station in Chester County. It would like to ensure that future phases are in line to complete the vision for Paoli with the Intermodal Transportation Center. It would also like to see SEPTA provide at least a partial commitment to fund a parking structure at Coatesville, as well as, coordination with Amtrak for any track improvements required for the restoration of SEPTA service to Coatesville.

SEPTA's Citizen Advisory Committee submitted a document that contained several comments, questions and recommendations which will be addressed by SEPTA management.

5th Square recognizes SEPTA's dire financial situation due to the loss of ridership and revenues. It advocates higher frequency service as opposed to bi-level rail cars or costly platform extensions. It suggests that SEPTA should stop spending money on parking and that ADA accessibility improvements should be fast tracked. It asks that SEPTA fund rear door fare validators onboard buses and trolleys and appreciates SEPTA's plans for trolley modernization. It advocates for an enhanced availability of SEPTA Key by placing kiosks in all Zone 1 and Zone 2 rail stations.

Delaware Valley Association Of Rail Passengers supports the proposed Capital Budget and recommends that SEPTA proceed with the budget and project planning process as usual, while remaining alert for signs of long term change in demand for its transit services. It commends SEPTA for advancing phase 3 of the Southwest Connection project and its prioritization of trolley modernization. It comments on the delay of the King of Prussia rail extension and the need for capacity increase on the Market-Frankford Line. It advocates continuation of the replacement of the Silverliner IV fleet and expresses concern about SEPTA's use of bonds to finance nearly a tenth of the proposed capital budget. It notes that SEPTA is hiding cost overruns in the failed SEPTA Key project and that essential elements such as SEPTA Key web site fixes and smartphone apps are being buried in the information technology budget rather than additional SEPTA Key costs.

SEPTA Youth Advisory Council notes the heroic efforts of SEPTA



during the turmoil caused by COVID-19. It also notes that they have no criteria to understand how projects will be prioritized and suggests specific measurable goals to guide project selection. While it notes strong support for improvements to stations surrounding colleges and universities, it notes continued deferral of investments to City Hall Station. It expresses belief that SEPTA should avoid making a car-dependent transit system and therefore reduce or eliminate all parking garage expenditures. It states that SEPTA must procure a replacement vehicle that allows for shorter dwell times and higher frequency service, instead of a peak-centric vehicle. It also questions the alignment of the Norristown High Speed Line projects and the necessity of Broad-Ridge Spur projects.

City of Philadelphia greatly appreciates SEPTA's leadership and its workforce efforts in keeping Philadelphians moving during the COVID-19 crisis and recognizes the need for stable funding for SEPTA. It recognizes significant advancements in the Capital Program in prioritizing projects of importance to the City, such as, full accessibility on the Broad Street Line and Market-Frankford Line, the Trolley Modernization program and the Bus Network Redesign. It notes that executing the Capital Program will be a collaborative effort and appreciates SEPTA's partnership on many transit projects in Philadelphia.

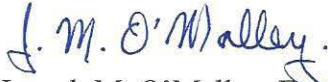
#### SUMMARY:

The issues raised during the hearings are provided for your information and use. I find that SEPTA's Fiscal Year 2021 Capital Budget and Fiscal Years 2021-2032 Capital Program and Comprehensive Plans are consistent with federal and state programming requirements. These programming requirements specify that the Authority develop a capital program constrained to reasonable funding levels. The current COVID-19 coronavirus dilemma presents SEPTA with a significant challenge.

Overall, the budget represents an investment in SEPTA's infrastructure and the regional economy. Many capital projects in the budget are long-term commitments and/or obligations of the Authority and are in need of consistent funding. I believe that Board endorsement of the proposed Capital Budget and the Capital Program is recommended. SEPTA staff is encouraged to work with local member governments and the public throughout the year to discuss and receive input on capital projects.

In conclusion, it is my recommendation that the Fiscal Year 2021 Capital Budget and Fiscal Years 2021-2032 Capital Program be adopted.

Respectfully submitted,

  
Joseph M. O'Malley, Esquire  
Hearing Examiner

cc: Pasquale T. Deon, Sr., Chair  
Honorable Kenneth Lawrence, Vice Chair